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R&I 'TASTES OF AMERICA': CONSUMERS' FAVORITE [illegible]

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FEBRUARY 5, 1988

A Cahners publication serving the total foodservice industry

RESTAURANTS & INSTITUTIONS

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■ R&I CONSUMER SURVEY

AMERICA'S CHOICE IN CHAINS

By Brad Stratton and Lisa Bertagnoli

The "Choice in Chains" report, now in its eighth year, has been reorganized from past years in order to present the information more fairly and clearly. The results of the survey, revealed in the following 20 pages, contain a few surprises, too.

For the first time in the survey's history, we do not present an overall winner. Comparing Stuart Anderson's, a small, upscale chain that tops the dinner house category, with Baskin-Robbins, winner again in the sweets category, seems unfair. This year, the 76 chains listed are divided into eight segments: burger, cafeteria/coffee shop, chicken, dinner house, specialty fast food, pizza, steakhouse and sweets.

Within each segment, the chains are ranked by satisfaction index (see the following page for methodology). Ties were broken by the number of respondents visiting the chain in the past year. This system placed Burger King in the top burger spot, even though Wendy's and Burger King scored the same on the satisfaction index.

Each chain is identified by its logo, company headquarters, 1986 food and beverage sales, and number of units as of Jan. 1, 1987. And for each chain, we identify the region, income level, meal spending per week and life stage from which the highest percentage of the chain's patrons come.

The nine regions and nine life stages are explained in detail on the following pages. We break the country into nine regions instead of four, with the belief that specific areas are far more interesting and useful than general areas. Illustrations of the nine family situations into which chain patrons generally fit help describe what we mean by "middle parent," "young single," and so on.

A new "Choice in Chains" angle appears in this rendition of the story. A

Business breakfasts are brisk at Bob Evans, No. 3 among coffee shops.

Parent and child (l.) enjoy a weekday breakfast at Bob Evans Farms. An older couple (below) takes in dessert at Bakers Square.

group of reporters ventured forth, stopped people coming out of various chains listed in the survey and quizzed them about their meals: What did you like about your meal? What did you dislike? Do you think the meal was a good value? Why did you choose this particular restaurant? The customers' comments are noted in each segment.

This year, we also pay more respect to up and comers, chains that had not been visited by at least 100 survey respondents during the past year. Skipper's, the Bellevue, Wash.-based fast-food seafood chain, was listed in this category last year, and returned this year to nudge Rax out of first place in the specialty fast-food segment. This year's up and comers include two industry stars: Luby's Cafeterias, San Antonio, Texas, and Chili's, Dallas.

The complete *Restaurants & Institutions* "Tastes of America" survey is available from Christine Campagna (312) 635-8800, at the following rates: Executive Summary on Eating-Out Habits, $200, with tabs, $500; Executive Summary on Choice in Chains, $200, with tabs, $500; Demographic Profile of 76 Individual Chains, $200 per chain; and Food Ordering Demographic Profiles of 70 Different Foods, $200 per food. Part I of "Tastes of America" ran in the Dec. 9, 1987, issue of *R&I*.

Service scored second only to good value at Sizzler, the No. 3 steakhouse.

R&I CHOICE IN CHAINS

HOW R&I RANKS THE CHAINS

The restaurant chains in *Restaurants & Institutions* "Choice in Chains" were ranked through a procedure developed by the magazine in conjunction with National Family Opinion Inc., a market research firm based in Toledo, Ohio. Surveys were sent to 2,000 households selected to reflect the demographic profile of the country.

For each of the restaurant chains listed, respondents were asked whether they had heard of the chain and had eaten at the chain within the past 12 months. If they had eaten at the chain, they were asked to specify whether they liked the chain a great deal, somewhat or not at all.

The 1,404 responses received were tabulated to determine each chain's satisfaction index (or popularity). Chains that had been patronized by fewer than 100 respondents were omitted from the main ranking and instead are included in the up and comers.

The number of patrons who said they liked the chain a great deal was doubled (giving that response a weight of +2) and added to the number of patrons who said they liked the chain somewhat (a weight of +1). The number who said they didn't like the chain was subtracted from the total (giving that response a weight of −1). The final figure was divided by the number of people who said they had eaten at the restaurant, yielding a satisfaction index between −1 and +2.

For an example of this process, examine Baskin-Robbins' numbers. Of the 601 people who had eaten at Baskin-Robbins and rated its performance, 371 said they liked it a great deal (371×2=742), 204 said they liked it somewhat (204×1=204) and 26 said they did not like it (26×−1=−26). Combine the three numbers (742+204−26=920) and divide by the total who had eaten at the restaurant and rated it (920÷601=1.53).

The most popular chains score in the range of 1.5, while scores of 1.3 or more are considered very good. Scoring below 1 is considered a poor showing. The average score for the 66 qualifying chains was 1.18.

BURGERS	Index	'88	'87
Burger King	1.22	1	2
Wendy's	1.22	2	1
Whataburger	1.18	3	—
McDonald's	1.08	4	4
Carl's Jr.	1.08	5	3
Sonic Drive-In	1.08	6	—
Hardee's	1.03	7	5
Krystal	0.94	8	7
White Castle	0.82	9	6

CHICKEN	Index	'88	'87
Chick-fil-A	1.25	1	4
Kentucky Fried Chicken	1.15	2	3
Popeyes Famous Fried Chicken	1.10	3	5
Grandy's	1.10	4	1
Church's Fried Chicken	0.95	5	6
Bojangles' Chicken & Biscuits	0.93	6	2

CAFETERIA/ COFFEE SHOP	Index	'88	'87
Shoney's	1.41	1	3
Bakers Square	1.40	2	—
Bob Evans	1.38	3	3
Morrison's Cafeterias	1.33	4	2
Swensen's	1.33	5	5
Piccadilly Cafeterias	1.31	6	—
Friendly	1.25	7	6
Furrs Cafeterias	1.25	8	1
Perkins	1.24	9	8
Big Boy	1.17	10	9
Po Folks	1.17	11	7
Country Kitchen	1.07	12	—
Denny's	1.04	13	—
International House of Pancakes	1.03	14	9
Howard Johnson	0.75	15	—

Ties were won by the chain with the higher patronage level. ©1988 *Restaurants & Institutions*, a Cahners publication.

&RESTAURANTS & INSTITUTIONS

DINNER HOUSE	Index	'88	'87
Stuart Anderson	1.49	1	1
Steak & Ale	1.46	2	7
Red Lobster	1.45	3	4
TGI Friday's	1.45	4	3
Houlihan's	1.42	5	10
Bennigan's	1.36	6	6
Benihana of Tokyo	1.34	7	2
Fuddruckers	1.26	8	5
Chi-Chi's	1.20	9	8
Ground Round	1.18	10	—

SPECIALTY FAST FOOD	Index	'88	'87
Skipper's	1.40	1	—
Rax	1.32	2	1
Captain D's	1.28	3	2
Long John Silver's	1.21	4	3
A&W	1.21	5	5
Arby's	1.12	6	4
Taco Bell	1.11	7	6
Roy Rogers	0.92	8	7
Jack in the Box	0.72	9	8
7-Eleven	0.41	10	—

PIZZA	Index	'88	'87
Pizza Hut	1.26	1	1
Godfather's	1.15	2	4
Little Caesars	1.14	3	2
Pizza Inn	1.10	4	3
Domino's	1.09	5	5
Shakey's	0.93	6	6

STEAKHOUSE	Index	'88	'87
Western Sizzlin'	1.46	1	2
Golden Corral	1.39	2	1
Sizzler	1.32	3	5
Bonanza	1.23	4	6
Mr. Steak	1.22	5	3
Ponderosa	1.20	6	4

SWEETS	Index	'88	'87
Baskin-Robbins	1.53	1	1
Dunkin' Donuts	1.22	2	—
Carvel	1.20	3	2
Dairy Queen	1.16	4	3

UP AND COMERS

If Maxwell Smart were in charge of the "Choice in Chains," he would look at Luby's President John Lahourcade, hold up three fingers and say, "Missed it by *that* much." Luby's came within three patrons of not only winning the cafeteria and coffee shop segment, but also of having the top score of all chains in the 1988 listing. But as it stands, Luby's leads only the up and comers section—the section that recognizes all chains with fewer than 100 patrons among the 1,404 who responded to this year's *Restaurants & Institutions* survey. Chili's has a bit farther to go, with only 77 customers among this year's respondents. However, it too would have led its category had enough people eaten at the dinner house.

	Index	'88
Luby's Cafeterias	1.59	1
Chili's	1.55	2
Rusty Pelican	1.45	3
El Torito	1.36	4
El Chico	1.29	5
Round Table Pizza	1.26	6
Brown's Chicken	1.24	7
Tony Roma's	1.19	8
Del Taco	1.11	9
Circle K	0.34	10

R&I CHOICE IN CHAINS

CHOICE IN CHAINS FOCUS

Each chain that had 100 or more patrons among the survey participants is profiled in the following pages. What follows is a detailed explanation of the headings contained within each of these profiles.

XYZ BURGERS

1986 F&B sales: for calendar 1986 or its fiscal year that ended between July 1, 1986, and June 30, 1987

Units (1/1/87): domestic and overseas, company-owned and franchised

Headquarters: in the United States

Where it does best . . .

Region: Of the nine U.S. regional divisions (see map elsewhere in this section), this is the division containing the highest percentage of XYZ Burgers customers during the past 12 months.

Household income: Among the six household income levels in the survey —under $12,500; 12,500-$19,999; $20,000-$29,999; $30,000-$44,999; $45,000-$59,999; and $60,000 and over—the highest percentage of XYZ customers during the past 12 months came from this group.

Life stage: Of the nine household demographic segments in this survey (see detailed explanation of each segment elsewhere in this section), this is the segment containing the highest percentage of XYZ customers during the past 12 months.

Meal spending: Among the four weekly household spending levels in the survey —less than $10, $10-$25, $26-$50 and more than $50—the highest percentage of XYZ customers during the past 12 months came from this group.

Best attribute: There are five attributes —quality of food, good value, service, atmosphere and cleanliness—in the survey. This is the one for which the highest percentage of XYZ customers said the chain is above average.

Highlights: Other noteworthy facts contained within the survey results.

CHART-TOPPING CHAINS WITH AWARD-WINNING ATTRIBUTES

While systemwide sales is one way to judge a chain's performance, another is to assess its attributes. In the 1988 "Choice in Chains" survey, *R&I* asked participants whether each chain was above average in the following five categories. Each score is the percentage of the chain's patrons who said it was above average for that attribute.

	FAST FOOD		FULL SERVICE	
FOOD QUALITY	Baskin-Robbins	52.8%	Stuart Anderson's	65.2%
	Rax	51.3	Benihana of Tokyo	64.1
	Chick-fil-A	49.6	Steak & Ale	60.8
	Skipper's	48.2	Golden Corral	58.7
	Captain D's	46.6	Red Lobster	58.6
SERVICE	Skipper's	58.0%	Stuart Anderson's	59.6%
	McDonald's	48.7	Western Sizzlin'	56.6
	Burger King	45.5	Chi-Chi's	55.6
	Wendy's	45.4	Golden Corral	54.7
	Sonic Drive-Ins	45.3	Shoney's	54.3
CLEANLINESS	Skipper's	55.4%	Stuart Anderson's	56.7%
	Rax	48.0	Bob Evans	54.2
	Wendy's	45.6	Western Sizzlin'	51.9
	Captain D's	43.2	Bakers Square	51.8
	McDonald's	42.8	Red Lobster	51.0
GOOD VALUE	Skipper's	62.5%	Western Sizzlin'	64.2%
	Little Caesars Pizza	53.5	Po Folks	62.8
	McDonald's	53.0	Golden Corral	59.2
	White Castle	52.2	Shoney's	58.3
	Burger King	52.1	Ponderosa	57.8
ATMOSPHERE	Skipper's	42.0%	Chi-Chi's	63.2%
	Rax	32.8	Benihana of Tokyo	63.0
	Captain D's	32.5	Stuart Anderson's	62.4
	Long John Silver's	32.5	Bennigan's	58.1
	Wendy's	30.0	TGI Friday's	54.9

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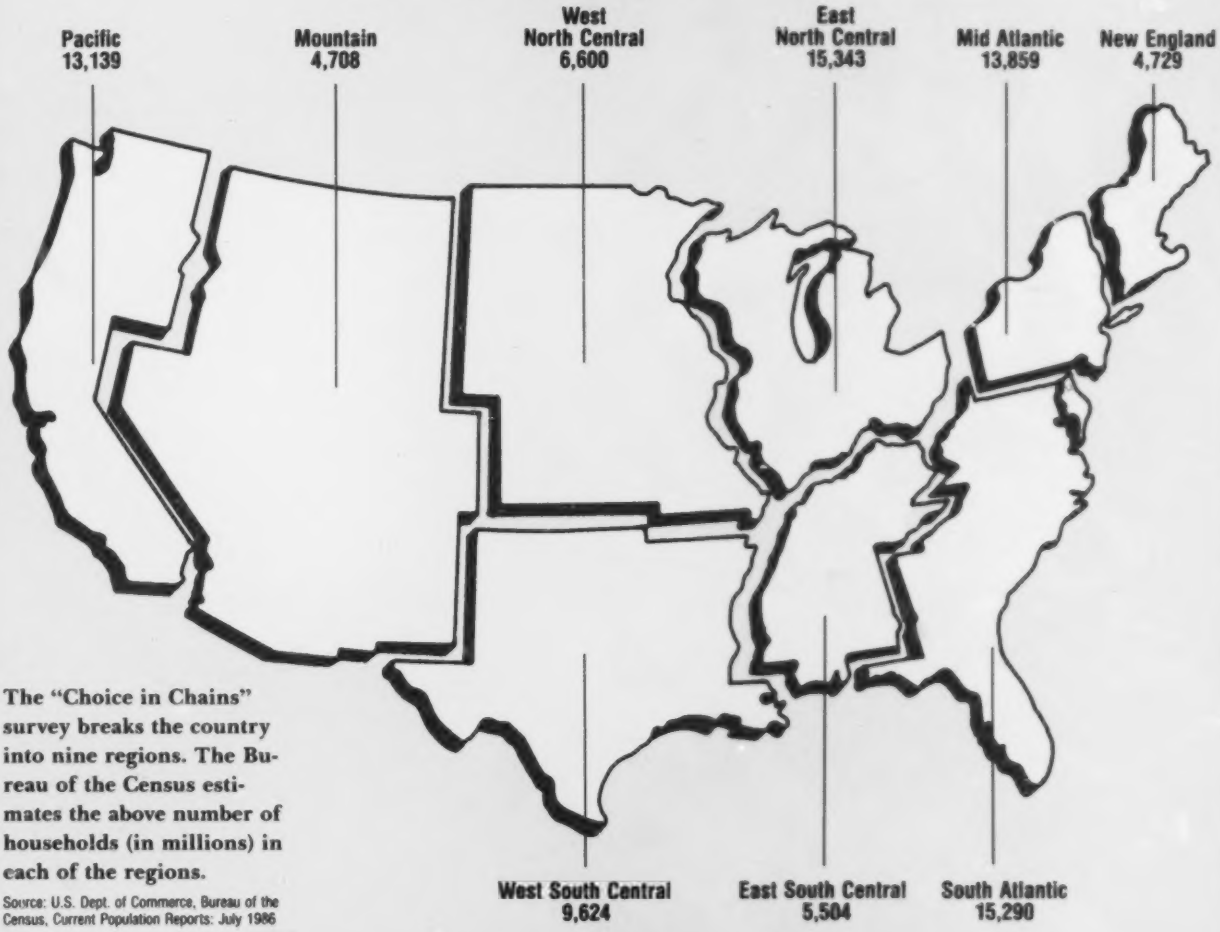
THE U.S. ACCORDING TO CHOICE IN CHAINS



The "Choice in Chains" survey breaks the country into nine regions. The Bureau of the Census estimates the above number of households (in millions) in each of the regions.

Source: U.S. Dept. of Commerce, Bureau of the Census, Current Population Reports: July 1986

LIFE STAGES IN THE 'CHOICE IN CHAINS' SURVEY

One of the key factors within this survey is the stage in life of the leader of each surveyed household. These definitions explain who makes up each life-stage group.

Young single
One household member who is less than 35 years old.

Young couple
Age of the household head is less than 45. Couple can be married or unrelated. No children living in the house.

Young parent
Age of household head is under 45. The youngest child is under 6.

Middle single
One household member who is between the ages of 35 and 65.

Working older couple
Age of household head is 45 or over and is working. Couple can be married or unrelated. No children living in the house.

Middle parent
Age of household head is under 45. The youngest child is 6 or over.

Older single
One household member who is older than 65.

Retired older couple
Age of household head is 45 or over and retired. Couple can be married or unrelated. No children living in the house.

Older parent
Age of household head is 45 or older. At least one child is present.

R&I CHOICE IN CHAINS

BURGERS

It's Burger King by a pickle. In the race to the wire by the burger chains, BK unseats longtime winner Wendy's by virtue of the tie-breaking procedure (based on patronage). Among burger chains overall, the choice is unanimous: Patrons say their best attribute is value. Contributing to this conclusion is the fact that parents make up the biggest single percentage of burger chain customers.

BURGER KING

1986 F&B sales: $5,000MM**
Units (1/1/87): 5,024
Headquarters: Miami
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Parents of all ages make up nearly half of the households patronizing Burger King. Nearly one-third of all BK customers live in the three Southern regions. Only about 6% of its customers earn $60,000 or more annually.

WENDY'S

1986 F&B sales: $2,747MM
Units (1/1/87): 2,664
Headquarters: Dublin, Ohio
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Former burger segment winner Wendy's was just edged out of first this year. In addition to value, the chain scores extremely well for cleanliness, service and food quality. Those under 30 give the chain its best score.

WHATABURGER

1986 F&B sales: $225MM
Units (1/1/87): 365
Headquarters: Corpus Christi, Texas
Where it does best . . .
Region: West South Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: This chain has strong roots in its home territory, where 60% of its patrons live. The age of the household head whose family most frequently patronizes Whataburger is 50 to 64. Parents account for 45.3% of the crowd.

McDONALD'S

1986 F&B sales: $12,400MM
Units (1/1/87): 9,410
Headquarters: Oak Brook, Ill.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Mac also gets great scores for service and cleanliness. A higher than average number of patrons come from households where the head is 65 or older. A high number live in markets with fewer than 50,000 households.

CARL'S JR.

1986 F&B sales: $343.6MM
Units (1/1/87): 433
Headquarters: Anaheim, Calif.
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $26-$50 a week
Best attribute: Good value

Highlights: Households with income levels of $60,000 or more and households spending more than $50 a week on dining out make up a higher than average percentage of Carl's customers. More than 82% of patrons live out west.

Crown Burger King the new champ.

*R&I estimate **Company estimate MM=millions

SONIC DRIVE-IN
1986 F&B sales: $291MM
Units (1/1/87): 958
Headquarters: Oklahoma City
Where it does best . . .
Region: West South Central
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Sonic service also scores well among patrons. More than three-quarters of the chain's patrons live in the South. Markets of fewer than 50,000 is where more than 45% of Sonic's customers live, an unusually high percentage.

HARDEE'S
1986 F&B sales: $2,255MM*
Units (1/1/87): 2,807
Headquarters: Rocky Mount, N.C.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

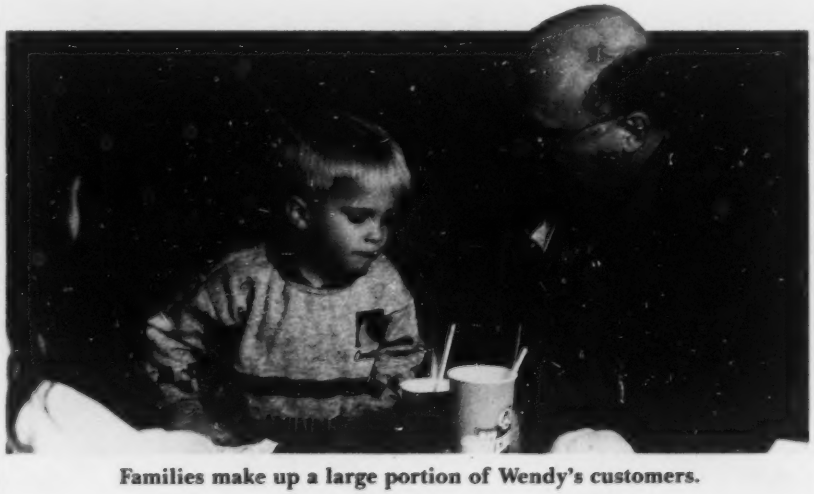
Highlights: Hardee's home region of the South Atlantic runs a close second for its largest market. Less than 6% of its customers live in the West. Households where the head is 65 or older like Hardee's better than other age groups.

KRYSTAL
1986 F&B sales: $174MM
Units (1/1/87): 237
Headquarters: Chattanooga, Tenn.
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Almost 86% of Krystal's clientele live in the South. An unusually high number of its patrons are singles 35 or older. Krystal's top meal-spending group also gives the chain its highest satisfaction index. It thrives in small markets.

WHITE CASTLE
1986 F&B sales: $268.5MM
Units (1/1/87): 222
Headquarters: Columbus, Ohio
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: White Castle is at home in the two North Central regions, which constitute nearly half of its customer base. It is also a big city chain, with nearly 45% of its patrons in markets with 2 million or more households.



Families make up a large portion of Wendy's customers.

WHAT PATRONS SAY ABOUT BURGER CHAINS

WENDY'S: "I love the hamburgers and french fries. They don't cost too much and the service is very fast" . . . "It's hard to believe service is this fast even though there's only one cash register" . . . "These are great sloppy burgers."

McDONALD'S: "It's not what I like about McDonald's, it's what the kids like" . . . "This is the only place that has a playground, and the kids really do prefer McDonald's" . . . "It's clean, the breakfast is exactly what I want, the salads keep me thin and the people are nice" . . . "It's definitely the best value in town."

KRYSTAL: "The bite-sized burgers are fun to eat" . . . "The food is good, but if you ate here too often the grease would kill you" . . . "You can get in and out quick" . . . "I need a 'Krystal fix' at least once a month."

R&I CHOICE IN CHAINS

CAFETERIA/ COFFEE SHOP

Two dominant groups are big customers of coffee shops and cafeterias. These are older parents and people who spend between $10 and $25 to eat out each week. The income categories that include the best patrons of such restaurants are those households earning between $30,000 and $44,999 and those earning less than $12,500 annually. Value and quality most often are selected as the top attributes of cafeterias and coffee shops.

SHONEY'S

1986 F&B sales: $644.5MM
Units (1/1/87): 542
Headquarters: Nashville, Tenn.
Where it does best . . .
Region: South Atlantic
Household income: Less than $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Patrons *really* love Shoney's. Saying its best attribute is good value is a bit misleading because the chain also gets extremely high marks for service, quality of food and cleanliness. The South is home for two-thirds of its patrons.

BAKERS SQUARE

1986 F&B sales: $130.4MM
Units (1/1/87): 116
Headquarters: Denver
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Middle parent
Meal spending: More than $50 a week
Best attribute: Quality of food

Highlights: These neat bakers also score for cleanliness. Nearly three-fourths of the chain's patrons come from households whose leader is under 50 years old. Half of its customers come from major metropolitan markets.

BOB EVANS FARMS

1986 F&B sales: $220MM
Units (1/1/87): 175
Headquarters: Columbus, Ohio
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Customers also laud Bob Evans for its cleanliness and service. Households of three people score Bob Evans' attributes better than any other household sizes. More than 62% of its patrons earn less than $30,000.

MORRISON'S

1986 F&B sales: $291MM
Units (1/1/87): 153
Headquarters: Mobile, Ala.
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: The chain has its highest percentage of customers in markets of less than 500,000 households. More than half the senior citizens who have eaten at Morrison's like it a great deal. Many older singles eat here.

SWENSEN'S

1986 F&B sales: $80MM**
Units (1/1/87): 350
Headquarters: Phoenix, Ariz.
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: Swensen's has a well-educated customer base; it has a higher percentage of college graduates as customers than all other chains in this segment. More than 70% of its patrons live in the South or West.

PICCADILLY

1986 F&B sales: $225MM
Units (1/1/87): 111
Headquarters: Baton Rouge, La.
Where it does best . . .
Region: West South Central
Household income: $20,000-$29,999
Life stage: Older parent
Meal spending: $26-$50 a week
Best attribute: Quality of food

Highlights: Piccadilly households also include a high number that earn from $30,000 to $44,999 annually and that spend $10 to $25 a week on eating out. More than half its patrons also believe meals at Piccadilly are a good value.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

continued from page 48

FRIENDLY

1986 F&B sales: $536.5MM
Units (1/1/87): 829
Headquarters: Wilbraham, Mass.
Where it does best . . .
Region: Middle Atlantic
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: Friendly also scores consistently high for value, service and cleanliness. Big families of five or more give the chain its best marks for food quality. More than 57% of the chain's patrons live in the Northeast.

FURRS

1986 F&B sales: $263MM*
Units (1/1/87): 133*
Headquarters: Lubbock, Texas
Where it does best . . .
Region: West South Central
Household income: Under $12,500
Life stage: Retired older couple
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Many patrons also earn from $20,000 to $29,999 annually. A good number are older parents or come from households where the leader is 65 or older. Cleanliness and quality of food rank second and third in attributes.

PERKINS

1986 F&B sales: $279.5MM*
Units (1/1/87): 321*
Headquarters: Memphis, Tenn.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Cleanliness

Highlights: Perkins also is noted for its food quality, especially in households with one or two members. Almost half its patrons live in the North Central region, but a higher than normal percentage reside in smaller markets.

BIG BOY

1986 F&B sales: $1,002.1MM*
Units (1/1/87): 911
Headquarters: Washington, D.C.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Customers' high value perception suggests they are taking note of the chain's food bar. A high percentage of families with four or more members have eaten at Big Boy. Many patrons also earn less than $12,500 annually.

PO FOLKS

1986 F&B sales: $195.7MM
Units (1/1/87): 176
Headquarters: Nashville, Tenn.
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25
Best attribute: Good value

Highlights: Po Folks gets consistently high scores in all five attribute categories. More than two-thirds of the households patronizing Po Folks are in the South. A good number of patrons earn $30,000 to 44,999 annually.

Food quality and service with a smile get high marks at Bakers Square.

R&I CHOICE IN CHAINS

CAFETERIA/ COFFEE SHOP

WHAT PATRONS SAY ABOUT CAFETERIAS AND COFFEE SHOPS

BOB EVANS FARMS: "I always come here" . . . "They have friendly waitresses, good food and good service" . . . "I'm from out of state and I was across the street getting my car fixed. I saw Bob Evans and I knew I could get home-cooked food. Their restaurants are all the same" . . . "They have good coffee."

HOWARD JOHNSON: "The meal was nothing special, but the service was very good" . . . "Howard Johnson has the greatest sundaes in the world, and they're cheap."

BAKERS SQUARE: "Everybody talks about their pie, but the sandwiches are great, too" . . . "This is a friendly place. I can come here every day, and they treat me nice every day" . . . "I don't have to stand in line like at the fast-food places, and I still get my lunch within about five or 10 minutes."

COUNTRY KITCHEN

1986 F&B sales: $161.4MM
Units (1/1/87): 251
Headquarters: Minneapolis
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Service

Highlights: Working older couples also make up a high percentage of Country Kitchen customers. The chain is perceived as having noteworthy value. More than 42% of its patrons come from markets with fewer than 50,000 households.

DENNY'S

1986 F&B sales: $1,134.2MM
Units (1/1/87): 1,176
Headquarters: La Mirada, Calif.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25
Best attribute: Good value

Highlights: Denny's customers are evenly distributed across the country, with the Northeast being the area it has slightly less penetration. A good percentage of households that visit Denny's earn less than $12,500.

INTERNATIONAL HOUSE OF PANCAKES

1986 F&B sales: $246.1MM
Units (1/1/87): 450
Headquarters: North Hollywood, Calif.
Where it does best . . .
Region: South Atlantic
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: The chain can claim more than 40% of its patrons from markets with 2 million or more households. Retired older couples make up a higher than normal percentage of customers at International House of Pancakes.

HOWARD JOHNSON

1986 F&B sales: $120MM**
Units (1/1/87): 150
Headquarters: South Weymouth, Mass.
Where it does best . . .
Region: Middle Atlantic
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Cleanliness

Highlights: People who spend more than $25 a week on dining out also frequent Howard Johnson at a rate that is higher than average. Nearly a third of its patrons live in the South, and they give the chain scores higher than its average.

Households with children make up more than 40% of Bob Evans customers.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

CHICKEN

This year's survey respondents ruffled last year's pecking order among the chicken chains. Chick-fil-A jumped to No. 1 from No. 4, leaving last year's top chain, Grandy's, in fourth place. All six of the chains listed count parents among their most loyal customers. But it's hard to say exactly to whom fast-food chicken appeals. Are kids drawn in by the bite-sized chicken pieces and small sandwiches? Or are parents attracted to the hamburger alternative? Maybe good value is the answer. Food quality and good value were voted the top attributes at each of the six chains.

CHICK-FIL-A

1986 F&B sales: $181.4MM
Units (1/1/87): 345
Headquarters: Atlanta
Where it does best . . .
Region: South Atlantic
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Good value, service and food quality helped Chick-fil-A, ranked No. 4 last year, to jump to the top spot among chicken chains. Older parents are loyal Chick-fil-A customers, as are households earning under $12,500.

KENTUCKY FRIED CHICKEN

1986 F&B sales: $3,500MM
Units (1/1/87): 6,575
Headquarters: Louisville, Ky.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Food quality and service earned high marks for the chain, and pushed it from No. 3 to No. 2. KFC's customers reward good work with loyalty: They're more likely to visit a burger chain than a competing chicken chain.

POPEYES FAMOUS FRIED CHICKEN

1986 F&B sales: $400MM
Units (1/1/87): 650
Headquarters: New Orleans
Where it does best . . .
Region: West South Central
Household income: $30,000-$44,999
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Nearly two-thirds of the households patronizing Popeyes are in the South, and a high percentage of those are in markets of two million households or more. Customers also praised quality of food and service.

GRANDY'S

1986 F&B sales: $230MM
Units (1/1/87): 200
Headquarters: Washington, D.C.
Where it does best . . .
Region: West South Central
Household income: Under $12,500
Life stage: Working older couple
Meal spending: $26-$50 a week
Best attribute: Quality of food

Highlights: Middle and older parents tie with working older couples as loyal Grandy's customers. Patrons gave good marks for cleanliness, service and good value. More than one-third of Grandy's patrons graduated from college.

No. 1 Chick-fil-A appeals to married couples with children under 19.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

CHICKEN

WHAT PATRONS SAY ABOUT CHICKEN CHAINS

CHICK-FIL-A: "The waffle fries are always warm and crispy. Sometimes you get nine or 10 nuggets in an eight-nugget meal. The chicken is consistent and not greasy" . . . "The Value Pak meal is a great deal" . . . "The chicken is consistently good quality. It's the best-tasting, most nutritious fast food available."

KENTUCKY FRIED CHICKEN: "It's good food. There's something about the chicken that can make you a chick-aholic, like booze. And the biscuits are something else. They are special" . . . "It tastes like the chicken I cook at home" . . . It's good chicken, not too spicy like Bojangles'."

BOJANGLES': "I love the food, especially the hot sauce. The corn is good too" . . . "I have no complaints about the service, except they don't have a bathroom" . . . The service was quick, but then again, there weren't many people."

CHURCH'S FRIED CHICKEN

1986 F&B sales: $577.7MM
Units (1/1/87): 1,532
Headquarters: San Antonio, Texas
Where it does best . . .
Region: West South Central
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Customers say good value is by far Church's best attribute. The chain attracts the very heavy meal spenders (over $50 a week) and households with $30,000 to $44,999 annual income, as well as thriftier types.

BOJANGLES'

1986 F&B sales: $265.5MM
Units (1/1/87): 325
Headquarters: New York
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: The income disparity strikes again: Households earning $30,000 to $44,999 a year favor Bojangles' as much as those earning under $12,500. Nearly two-thirds of the chain's patrons live in the South Atlantic region.

Kentucky Fried Chicken patrons praised good value and food quality.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

DINNER HOUSE

Among the dinner houses profiled, biggest is not always best. With 120 units, Stuart Anderson's, No. 1 for the fifth time, ranks only sixth in number of units and sales volume among the 10 chains listed. What it lacks in size, it makes up in food quality and atmosphere—the top attributes at all 10 chains. In fact, the ticket is split: Atmosphere is called best attribute at five chains, and food quality takes top honors at the remaining five. And this just proves that fun-filled fern bars are not dead. People just want to eat their nachos and have them, too.

STUART ANDERSON'S CATTLE CO.

1986 F&B sales: $265MM*
Units (1/1/87): 120*
Headquarters: Menlo Park, Calif.
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Stuart Anderson's takes top spot for the second year in a row and for the fifth time in the past six years. One-quarter of the chain's patrons are married with children under 19. Atmosphere and service scored well.

STEAK & ALE

1986 F&B sales: $279.4MM*
Units (1/1/87): 188
Headquarters: Dallas
Where it does best . . .
Region: South Atlantic
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: Steak & Ale jumps to second place from seventh in the dinner house segment, and its new back-to-basics menu strategy has only just begun. Good value and food quality tied for best attribute.

RED LOBSTER

1986 F&B sales: $897.6MM*
Units (1/1/87): 430
Headquarters: Orlando, Fla.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: The income dichotomy: Households with annual income of less than $12,500 a year account for more than 20% of the chain's customers. Good value and cleanliness fared well in the attributes category.

TGI FRIDAY'S

1986 F&B sales: $348.5MM
Units (1/1/87): 125
Headquarters: Dallas
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: Over $50 a week
Best attribute: Atmosphere

Highlights: Quality of food, too, keeps Friday's customers happy. Almost 40% of the household heads patronizing the chain hold college degrees. Half of the customers live in markets of 2 million households or more.

HOULIHAN'S

1986 F&B sales: $170MM
Units (1/1/87): 64
Headquarters: St. Louis
Where it does best . . .
Region: Middle Atlantic
Household income: $60,000 plus
Life stage: Middle single
Meal spending: Over $50 a week
Best attribute: Atmosphere

Highlights: Proof that the "meet market" lives: High-income, college-educated singles flock to Houlihan's first for the atmosphere, then for food quality. Dinks make up 20% of the chain's customers.

Stuart Anderson's ranks No. 1 again.

*R&I estimate **Company estimate MM=millions

R&I CHOICE IN CHAINS

DINNER HOUSE

WHAT PATRONS SAY ABOUT DINNER HOUSE CHAINS

STUART ANDERSON'S: "The service was very good. I was impressed because the waitress noticed that the cook left olives in my chicken salad and apologized for it" . . . "The value is good. The vegetables and salad were fresh."

TGI FRIDAY'S: "It's fun to see how the waiters and waitresses dress up their uniforms with funny buttons and things" . . . "The portions are huge—you never leave hungry" . . . "Everyone can find something they like here. It's a fun atmosphere."

BENNIGAN'S: "They have a killer nachos plate that I think is an appetizer but can easily be an entree. They also brought us a huge dish of extra jalapeño sauce" . . . "I'm a little old for this place. It's too noisy and confusing. But the food's good and interesting, and the prices certainly are fair."

BENNIGAN'S
1986 F&B sales: $446.2MM*
Units (1/1/87): 204
Headquarters: Dallas
Where it does best . . .
Region: South Atlantic
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: Over $50 a week
Best attribute: Atmosphere

Highlights: Married couples with children under 19 make up nearly 30% of Bennigan's customers. Older parents, too, frequent the chain. Food quality scored nearly as high as atmosphere on the attributes scale.

BENIHANA OF TOKYO
1986 F&B sales: $75MM
Units (1/1/87): 46
Headquarters: Miami
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: Nearly 60% of Benihana's customers live in markets of 2 million households or more. The chain attracts married couples with or without children under 19. About 30% of Benihana's customers live in the Pacific region.

Atmosphere scores best at Friday's.

FUDDRUCKERS
1986 F&B sales: $118.4MM
Units (1/1/87): 105
Headquarters: San Antonio, Texas
Where it does best . . .
Region: West South Central
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: Food quality is by far Fuddruckers' best attribute, patrons say. The chain is also popular with those in the $45,000 to $59,999 income range. Nearly 45% of household heads who visit the chain graduated from college.

CHI-CHI'S
1986 F&B sales: $315MM
Units (1/1/87): 199
Headquarters: Louisville, Ky.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: Over $50 a week
Best attribute: Atmosphere

Highlights: Chi-Chi's attention to detail pays off in its high score on atmosphere. The chain recently revamped its menu: Patrons responded by giving good marks to food quality. A majority of patrons live in the East North Central.

GROUND ROUND
1986 F&B sales: $225MM**
Units (1/1/87): 194
Headquarters: North Quincy, Mass.
Where it does best . . .
Region: Middle Atlantic
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: Over $50 a week
Best attribute: Atmosphere

Highlights: No more peanuts to crunch while walking to the table, but patrons still praise Ground Round for its atmosphere. The larger-than-fast-food hamburgers appeal to married couples with children under 19.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

SPECIALTY FAST FOOD

Specialty fast food is, in a phrase, a change of pace. People eat at Rax, Taco Bell and Arby's because they want fast food, but they don't want hamburgers. Cutting down on red meat may be the motivation, and might explain why Skipper's, which serves fast-food fish, knocked Rax out of first place in the segment. Other than a change of pace, specialty fast-food customers look for good value—and find it. Good value is the best attribute at nine of the 10 chains listed. And the same number claim most of their patrons from the group that spends between $10 and $25 a week eating out.

SKIPPER'S

1986 F&B sales: $94MM
Units (1/1/87): 206
Headquarters: Bellevue, Wash.
Where it does best . . .
Region: Pacific
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Skipper's, new to the survey, topples Rax from the spot it held for five years. More than half of Skipper's patrons live in the Pacific region. Almost one-third live in markets with fewer than 50,000 households.

RAX

1986 F&B sales: $328.9MM
Units (1/1/87): 512
Headquarters: Columbus, Ohio
Where it does best . . .
Region: East North Central
Household income: $20,000-$29,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Despite the small upset, there's no reason for Rax to cry: Patrons continue to give good marks for food quality and cleanliness. More than one-third of the chain's customers live in the East North Central region.

Food quality brings people to Rax.

CAPTAIN D'S

1986 F&B sales: $315.9MM
Units (1/1/87): 537
Headquarters: Nashville, Tenn.
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Captain D's calls itself a "great little seafood place," and patrons agree: Quality of food ranked second to good value. The chain draws the most customers in markets with fewer than 50,000 households.

LONG JOHN SILVER'S

1986 F&B sales: $720.4MM
Units (1/1/87): 1,405
Headquarters: Lexington, Ky.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Nearly one-third of the households that patronize Long John Silver's earn $12,500 or less a year, making the good value rating very important. Food quality and service also scored high. Most patrons are married with children.

A&W

1986 F&B sales: $150MM
Units (1/1/87): 550
Headquarters: Dearborn, Mich.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Households earning between $30,000 and $44,999 are a big part of A&W's customer base. Married couples with children under 19 account for one-third of A&W's customers. The chain does best in small markets.

*R&I estimate **Company estimate MM = millions

R&I CHOICE IN CHAINS

SPECIALTY FAST FOOD

WHAT PATRONS SAY ABOUT SPECIALTY FAST FOOD

RAX: "The atmosphere is nice, but what I like about Rax is the creativity that goes into the menu and the presentations" . . . "If I'm out shopping with friends and want to take a nice, short break, we go to Rax. It's fast food without the fast-food atmosphere.

ARBY'S: "Everything was pretty much OK, in terms of taste. The condiments aren't too hot" . . . "Arby's is different than McDonald's and faster than a sit-down place. It's sort of an impulse to come here" . . . "The service is kind of slow, even though the place is never crowded."

TACO BELL: "I like the fajitas. The food is really good considering it's fast food" . . . "It's a bit more expensive than the burger places, but I like it" . . . "I get tired of hamburgers. I'm the manager of the McDonald's up the road."

ARBY'S

1986 F&B sales: $892.8MM
Units (1/1/87): 1,760
Headquarters: Atlanta
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Arby's patrons also gave good marks for cleanliness. Nearly one-quarter of the chain's patrons live in the East North Central region, so it's no surprise that Arby's does best in markets with more than 2 million households.

TACO BELL

1986 F&B sales: $1,320MM*
Units (1/1/87): 2,443
Headquarters: Irvine, Calif.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Not for kids only: About one-fifth of Taco Bell's customers are between 50 and 64 years old. The income dichotomy crops up again: Households with incomes between $30,000 and $44,999 also frequent the chain.

Patrons call Taco Bell a good value.

ROY ROGERS

1986 F&B sales: $450.1MM*
Units (1/1/87): 552
Headquarters: Washington, D.C.
Where it does best . . .
Region: Middle Atlantic
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $26-$50 a week
Best attribute: Good value

Highlights: Service also scores well at Roy Rogers. One-quarter of the households that patronize the chain are headed by a person between 50 and 64 years old. More than 40% of patrons live in the Middle Atlantic region.

JACK IN THE BOX

1986 F&B sales: $639.5MM*
Units (1/1/87): 850
Headquarters: San Diego
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Jack in the Box's ever-changing menu most likely contributes to its high good-value rating. Almost 40% of its customers live in the Pacific region, and nearly 50% of patrons live in markets of more than 2 million households.

7-ELEVEN

1986 F&B sales: $875.9MM*
Units (1/1/87): 7,835
Headquarters: Dallas
Where it does best . . .
Region: South Atlantic
Household income: $30,000-$44,999
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: 7-Eleven attracts as many college graduates as it does people with only a high school diploma, and households making under $12,500 a year supply almost as many customers as those making more money.

*R&I estimate **Company estimate MM=millions

R&I CHOICE IN CHAINS

PIZZA

No doubt about it. Pizza is now among the ranks of Great American Foods. Pizza-loving families earn under $12,500 or up to $44,999, and are headed by young, middle and older parents. Once again, Americans have chosen Pizza Hut as their favorite pizza place. And Godfather's, thanks to its quality-driven president, has jumped from fourth place to second place. Patrons of both chains say they go there because the food is good. Good value is another reason people eat pizza, and Little Caesars, king of the two-for-one deals, scores highest there. Domino's, prince of delivery, takes top honors for service.

PIZZA HUT

1986 F&B sales: $2,503.4MM*
Units (1/1/87): 5,646
Headquarters: Wichita, Kan.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Pizza Hut brings home top honors in the pizza segment for the third year running. Good marks for cleanliness and service contributed. One-third of the chain's patrons are married couples with children.

GODFATHER'S PIZZA

1986 F&B sales: $260MM
Units (1/1/87): 615
Headquarters: Omaha, Neb.
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: Households earning from $20,000 to $29,999 and from $30,000 to $44,999 patronize Godfather's almost as much as those earning less than $12,000. Many Godfather's patrons live in the Pacific region.

LITTLE CAESARS PIZZA

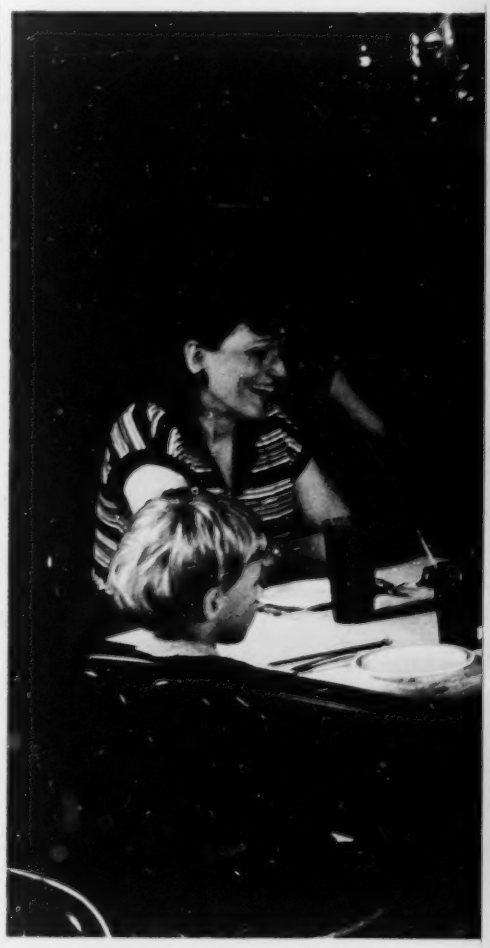
1986 F&B sales: $520MM
Units (1/1/87): 1,308
Headquarters: Farmington Hills, Mich.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Middle parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights. Two-for-one does the trick: More than half of the people who have eaten Little Caesars pizza call it a good value. Almost one-third of the patrons live in markets with 2 million or more households.

PIZZA INN

1986 F&B sales: $265.2MM
Units (1/1/87): 707
Headquarters: Dallas
Where it does best . . .
Region: West South Central
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $26-$50 a week
Best attribute: Good value

Highlights: The percentage of Pizza Inn patrons with weekly meal spending between $10 and $25 was the same as those spending $26 to $50. One-third of Pizza Inn's customers are married with children under 19.



*R&I estimate **Company estimate MM = millions

DOMINO'S PIZZA

1986 F&B sales: $1,500MM
Units (1/1/87): 3,606
Headquarters: Ann Arbor, Mich.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Service

Highlights: Service should be No. 1 for the king of 30-minute delivery; customers rated food quality high, too. Domino's has cracked the mom-and-pop hold on large markets. More than one-third of its customers live in large markets.

SHAKEY'S

1986 F&B sales: $196.9MM
Units (1/1/87): 395
Headquarters: Irving, Texas
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Shakey's attracts almost as many middle and young parents as it does older parents. Households with incomes under $12,500 are also frequent Shakey's patrons, as are people with a high school education or less.

Pizza Hut's food quality prompted patrons to vote the chain No. 1—again.

WHAT PATRONS SAY ABOUT PIZZA CHAINS

PIZZA HUT: "The salad bar is good" . . . It's consistent every time. The chain has a good reputation. You know what you're getting here" . . . "Nothing is cheap these days. The price is good for what you get."

PIZZA INN: "The pizza's really good. The buffet style is great. I like the dessert pizza. Their spaghetti is a cut above everyone else's" . . . "We eat here all the time. We eat the luncheon buffet because it's as quick as you want to make it."

DOMINO'S: "The only thing I like about Domino's is the fast service. The pizza is baby-food bland —you can't love it and you can't hate it" . . . "I'd like them even better if they'd go into video rental. I'd get everything I need for an evening (except a date) in one delivery."

R&I CHOICE IN CHAINS

STEAKHOUSE

Western Sizzlin' switched places with Golden Corral, last year's winner, on the strength of patrons' overwhelmingly positive reaction to all aspects of its operations. Customers perceive steakhouse chains as offering good value for their dollars. When children start to grow up, the survey shows many families move away from other chains and into steakhouses.

WESTERN SIZZLIN'
1986 F&B sales: $454MM
Units (1/1/87): 642
Headquarters: Atlanta
Where it does best . . .
Region: South Atlantic
Household income: Under $12,500
Life stage: Middle parent
Meal spending: $10-$25
Best attribute: Good value

Highlights: Western Sizzlin' has lassoed truly awesome numbers. More than half its patrons also say the chain is above average for service, quality of food and cleanliness. The South is home to 72% of its customers.

GOLDEN CORRAL
1986 F&B sales: $332.3MM
Units (1/1/87): 490
Headquarters: Raleigh, N.C.
Where it does best . . .
Region: South Atlantic
Household income: $12,500-$19,999
Life stage: Older parent
Meal spending: $10-25 a week
Best attribute: Good value

Highlights: Patrons also highly admire Golden Corral for its quality of food and service. The chain is focused on smaller markets, with more than 40% of its customers living in areas with less than 50,000 households.

An impressive 46.7% of Sizzler's patrons rated its food above average.

*R&I estimate **Company estimate MM=millions

R&I CHOICE IN CHAINS

STEAKHOUSE

WHAT PATRONS ARE SAYING ABOUT STEAKHOUSE CHAINS

WESTERN SIZZLIN': "You can choose from steak, seafood, chicken and salad all under one roof" . . . "I usually expect to pay more for such a great steak" . . . "The children's menu is a great value" . . . "I come here because of the convenient location and for the great food bar selection."

GOLDEN CORRAL: "The salad bar is awesome" . . . "The sundae bar is a must and, best of all, it's only 59 cents with a meal" . . . "This place is great. You can pig out for five bucks" . . . "We come here every Sunday. We wouldn't miss it. The family loves it."

SIZZLER: "The price is just right. We come here two to three times a week" . . . "I came here with my husband because we had a coupon and because we don't consider this fast food. It is cheaper for steak than at a real fancy restaurant" . . . "The restaurant was too dark before it was remodeled. This is so much brighter."

SIZZLER

1986 F&B sales: $605.1MM
Units (1/1/87): 544
Headquarters: Los Angeles
Where it does best . . .
Region: Pacific
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Sizzler has more upscale patrons than its competitors. Nearly 50% of its customer base earn more than $30,000 a year. A higher than average percentage of customers spend more than $25 a week eating out.

BONANZA

1986 F&B sales: $480MM
Units (1/1/87): 571
Headquarters: Dallas
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Bonanza patron concentrations also are in the West South Central and South Atlantic regions. Single people of all ages patronize Bonanza at above average rates. Households with heads over 64 rave about the chain.

MR. STEAK

1986 F&B sales: $111.1MM
Units (1/1/87): 175
Headquarters: Littleton, Colo.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Almost half of Mr. Steak patrons live in the two North Central regions. Older working couples and retired working couples give the chain high marks. Parents of all ages make up more than 51% of Mr. Steak's customers.

PONDEROSA

1986 F&B sales: $725MM
Units (1/1/87): 629
Headquarters: Dayton, Ohio
Where it does best . . .
Region: East North Central
Household income: Under $12,500
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Also credit Ponderosa with very respectable scores for service, quality of food and cleanliness. Single people and those from families of five or more people give Ponderosa its highest satisfaction ratings.

Sizzler scores for its service.

*R&I estimate **Company estimate MM=millions

R&I CHOICE IN CHAINS

SWEETS

Baskin-Robbins continues to maintain a firm grip on the top spot in the sweets category—a grip it has maintained throughout the decade. And as these results are as similar as in the past, so are many of the attributes among the chains in this classification. Three chains boast the populous East North Central as the region containing the highest percentage of their customers, three have young parents as their top life-stage group and three have the highest percentage of their customers spending between $10 and $25 weekly on dining out.

BASKIN-ROBBINS

1986 F&B sales: $572.1MM*
Units (1/1/87): 3,311
Headquarters: Glendale, Calif.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Quality of food

Highlights: How sweet it is. Baskin-Robbins once again leads the sweets category. Although B-R is a favorite among all families, it is patronized by a higher percentage of couples without children than any other family composition.

DUNKIN' DONUTS

1986 F&B sales: $648MM
Units (1/1/87): 1,539
Headquarters: Randolph, Mass.
Where it does best . . .
Region: East North Central
Household income: $30,000-$44,999
Life stage: Older parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: Customers also recognize the nation's biggest doughnut chain for food quality. Nearly a quarter of the households patronizing the chain have an income of less than $12,500. Dunkin' has a following in the South.

CARVEL

1986 F&B sales: $291.5MM*
Units (1/1/87): 870*
Headquarters: Yonkers, N.Y.
Where it does best . . .
Region: Middle Atlantic
Household income: $30,000-$44,999
Life stage: Young parent
Meal spending: Over $50 a week
Best attribute: Quality of food

Highlights: More than 58% of Carvel's patrons live in the country's Northeastern section. Parents account for more than half of its audience. The more a household spends eating out, the more likely it is to have eaten at Carvel.

DAIRY QUEEN

1986 F&B sales: $1,723MM
Units (1/1/87): 5,513
Headquarters: Minneapolis
Where it does best . . .
Region: East North Central
Household income: Less than $12,500
Life stage: Young parent
Meal spending: $10-$25 a week
Best attribute: Good value

Highlights: The largest treats chain has strong patronage in the South. More than 42% of its patrons earn less than $20,000 a year. DQ is truly a small-town chain: It is strongest in markets with fewer than 50,000 households. R&I

Families with children make up 47.2% of Baskin-Robbins' clientele.

*R&I estimate **Company estimate MM=millions

MENUS

■ R&I DATA

FOOD COST INDEX: LARGE PRICE INCREASE FOR ICEBERG LETTUCE

Despite the increase in the cost of lettuce, the market-basket total, at $104.56, is down $1.70 from January's total. Last month we reported that the new year was bringing in lower lettuce prices. These prices were still not normal prices. Due to publishing deadlines, the current figures reflect December 1987 prices.

		% change	
	2/88	1/88	2/87
Hamburger (lb. 85% lean)	$1.33	3	12
Chicken (lb. cut for frying)	.80	4	-10
N.Y. strip steak (lb./avg.)	3.47	-3	8
Bread (Pullman loaf)	.78	8	-4
Lettuce (iceberg/head)	1.11	122	118
French fries (30 lb.)	11.58	3	-5
Tomatoes (lb.)	.64	25	10
Milk (gal.)	1.56	-14	-9
Eggs (doz.)	.65	-8	-13
Peaches (case/#10)	17.54	8	-4
Peas (case/#10)	10.52	-15	-20
Frozen beans (30 lb.)	14.20	-7	1
Ice cream (vanilla/gal.)	3.73	10	20
Butter (lb.)	1.41	-8	-23
Cheddar cheese (lb.)	1.46	-8	-13
Sugar*(100 lb.)	29.82	-2	-8
Coffee (lb.)	2.59	7	-14
Breaded fish portions (lb.)	1.37	-20	-28

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■ FOOD PRICE UPDATE

Weather, Insects Hurt Iceberg Lettuce Supply

But new lettuce varieties could ease shortages.

A drastic reduction in the daily supply coming out of the major iceberg lettuce growing areas caused considerably higher lettuce prices in the latter part of 1987, according to Wade Whitfield, president of the California Iceberg Lettuce Commission.

Growing conditions had been unfavorable for quite some time, and adverse weather conditions further complicated the situation. The results were greatly reduced yields of iceberg lettuce, with reports of 50% reductions or more.

The situation changes every day, according to Whitfield. It seems, however, conditions were returning to normal as of this writing.

The growing areas were hard hit, first by seasonal heat which caused tip burn and then by a massive white fly problem in the desert growing regions. The white fly spreads a growth retarding disease. The fly attaches itself to the underside of the head of lettuce, out of the way of sprays.

At the moment, no effective measures are in sight for controlling the white fly. The desert areas are the major melon producing areas, and the vines are host plants for the white fly. Normally, the weather change from summer to fall knocks down the insect population, but this year that didn't occur.

The first major outbreak of white fly was in 1981-82. There was a large infestation and lettuce prices jumped. At that time, the Imperial Valley, close to the Mexican border, was hardest hit. Now the entire desert area is affected. Some fields were so hard hit that not even one head of lettuce could be cut.

Since 1981, when the first outbreak occurred, extensive research has gone into the eradication of the white fly by universities such as University of California/Davis and other agencies such as the U.S. Department of Agriculture. The best solution seems to be to develop a variety of lettuce that is resistant to the white fly.

Lolla Rossa, Red and Green Oak Leaf, Red and Green Perella, Red Romaine and Frisée are lettuces that can be used until iceberg is back to normal production levels. These "baby" lettuces, small, tender heads, are being shipped in a mix, two dozen to the box.

—Kathleen Marshall

Any number of new baby lettuce varieties can be substituted for iceberg.

ACTION EXPRESS

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